

**MINUTES OF THE REGULAR MEETING OF THE MEDFORD WATER COMMISSION**  
**April 3, 2013**

The pledge of allegiance was given.

The regular meeting of the Medford Water Commission was called to order at 12:30 p.m. on the above date at the Medford City Hall Lausmann Annex, Room 151/157 with the following commissioners and staff present:

Chair Jason Anderson; Commissioners Cathie Davis, John Dailey, Lee Fortier, Leigh Johnson

Manager Larry Rains; Attorney John Huttli; Deputy City Recorder Karen Spoons; Administrative Coordinator Betsy Martin; Principal Engineer Eric Johnson; Finance Administrator Tessa DeLine; Public Information Coordinator Laura Hodnett; Geologist Bob Jones; Water Quality Administrator Rosie Pindilli; Operations Superintendent Ken Johnson; Duff/WTP Supervisor Jim Stockton; TS Coordinator Kris Stitt

Guests: City of Medford Councilmembers Bob Strosser and Chris Corcoran; Medford Mayor Gary Wheeler; Ashland Public Works Director Mike Faught; Ashland Senior Engineer Pieter Smeenk; Central Point Mayor and Liaison Hank Williams; Eagle Point City Administrator Henry Lawrence; Eagle Point Mayor & Liaison Bob Russell; Eagle Point Public Works Director Robert Miller; Phoenix Mayor & Liaison Jeff Bellah; Talent Councilmember Darby Stricker; RH2 Engineering Joe Strahl; RH2 Engineering Chris Peters; Mail Tribune Reporter Damian Mann

3. Approval or Correction of the Minutes of the Last Regular Meeting of March 20, 2013  
The minutes were approved as presented.

4. Comments from Audience

- 4.1 Joe Strahl, RH2 Engineering, expressed concern with the kind of emergencies that could happen, such as an earthquake or water contamination. He appreciated the City of Ashland's study session pertaining to emergency water connection and the benefits of such an emergency agreement between Medford and Ashland, especially for Talent and Phoenix reducing demands on the MWC. Manager Larry Rains stated that water cannot run uphill without pumping and because of backflow devices water coming from Ashland to Medford would not be possible.

- 4.2 Talent Councilmember Darby Stricker stated that Talent supports the letter that Central Point City Manager Chris Clayton had presented to the MWC. Talent is reviewing the SDC presentation and the Cost of Service proposal. Their hope is to bring comments to the next meeting.

- 4.3 Phoenix Mayor & Liaison Jeff Bellah stated that Medford is the lowest part in the area so water could travel from Ashland to Medford; Mr. Rains noted that he did stand corrected.

5. Resolutions

- 5.1 No. 1515, A RESOLUTION Adopting the Investment Policy for the Board of Water Commissioners, Effective April 3, 2013

The Commission needs to re-adopt its investment policy every year in order to comply with state statutes. The Policy provides guidance, diversification, effective management of financial risk and internal controls on investment decisions. There have been no modifications since last year's policy was adopted; staff recommended approval. Finance Administrator Tessa DeLine stated that the changes made were formatting issues only.

Motion: Approve Resolution No. 1515

Moved by: Mr. Dailey

Seconded by: Ms. Davis

Roll Call: Commissioners Anderson, Dailey, Davis, Fortier and Johnson voting yes.

Motion carried and so ordered. Resolution No. 1515 was approved.

Out of sequence

7. Engineer's Report (E. Johnson)

- 7.1 Duff Floc/Sed Basins – Black & Veatch is finishing the technical memorandums and will be starting on the Basis of Design Report soon. Water quality testing of river water continues.
- 7.2 Duff Emergency Backwash – The exterior and interior equipment pads were poured. Conduit for the exterior transformer was installed. Pumps, motors and electrical equipment are being ordered.
- 7.3 Martin Control Station – The pipe gallery walls are formed and will be poured next week. Submittal approval process is ongoing and nearing completion.
- 7.4 Water Main Project Lyman Street & Bundy Street – The water main plans and specifications are done and quotes will be solicited this week.
- 7.5 Water Main Project Highway 62 Bypass – The pothole data is being compiled and forwarded to ODOT for review. Staff continues to work with ODOT pertaining to the Texas Roadhouse water relocation issue.

8. Water Treatment Report (Stockton)

- 8.1 Staff is involved in activities getting ready for the season and should be ready to roll in a few weeks. In combination with the driest first quarter in the history; it has been challenging getting turbid water out of the river for testing.

Commissioner Anderson questioned how fast staff could get the plant running if necessary; Mr. Stockton noted it would be a few days.

9. Finance Report (DeLine)

- 9.1 The consultant is working on various operations within the Finance spectrum.

10. Operations Report (K. Johnson)

- 10.1 Operations Superintendent Ken Johnson stated that he is continuing to work on two solicitation projects: Lone Pine Pump #1 and the Nickols Gap fence.

10.2 Staff is preparing switching to full pipe.

Back in sequence

6. Authorization of Vouchers

Motion: Authorize the Manager and the Recorder to issue check-warrants in payment of invoices for a total amount of \$740,851.01

Moved by: Mr. Johnson

Seconded by: Mr. Dailey

Roll Call: Commissioners Anderson, Dailey, Davis, Fortier and Johnson voting yes; Anderson recused himself from the Mail Tribune voucher. Motion carried and so ordered.

11. Manager/Other Staff Reports

- 11.1 Staff Report on the Utility Management Software Upgrade Project

Mr. Rains stated that there are three short months left before the go live date. Staff is putting in a lot of effort to make the July 1 date. TS Coordinator Kris Stitt provided the monthly report on

the software project He noted that they are on track and spoke of recent projects completed, such as the online billing test site which is up and running.

Mr. Anderson questioned how the MWC and City are doing on the utility fees moving to the City; Mr. Stitt noted staff is working well with the City. Commissioner Dailey questioned if staff would have made the earlier go live date; Mr. Stitt noted that they would have but this is giving them more time to fine tune the conversion up front.

#### 11.2 Direction for a Proposal for a Comprehensive Water Rates Study

A proposal was received from HDR Engineering, Inc., for a water rates study that was requested by the board. The proposal is all-inclusive for a rate study and is significantly broader in scope and cost than anticipated. MWC's rate study methodology was thoroughly vetted out with a formed work committee consisting of MWC staff, MWC board commissioners, and representatives of the Other Cities coalition about two years ago. At that time, consensus was reached by all parties that the methodology of AWWA M1 Manual was being followed fairly consistently and minor adjustments were made to the satisfaction of all involved. A smaller in scope review of our rate study like what was performed on the SDC methodology could be requested at a much lower cost if that is the desire of the board; staff direction is requested. If board members agree to move forward with either a larger or smaller project, it will be added, as a new task, to the current, consulting-services contract with HDR.

Mr. Anderson expressed surprise that the proposal came in close to \$75,000 and though it would be more in the \$12,000 range; Commissioner Fortier agreed. Mr. Dailey questioned if Eagle Point turned down a study such as this; Eagle Point Mayor Russell noted that they did as they really knew what they needed to do. Mr. Dailey stated that he did not see the value. Commissioner Johnson thought the committee stated that the SDC's issue wouldn't need to be reviewed for another five years. Mr. Rains thought that was the perspective although it was not brought back to the board. Mr. Dailey remembered the comment about the five years as well. Mr. Johnson wanted to do what is right but did not want to continue to spend money. The board discussed the committee's recommendations and questioned doing this now vs. three years. Chris Peters of RH2 Engineering stated that many issues were discussed and at the time they let go on a few issues. The Other Cities are trying to say how much is involved and analysis is necessary to do it properly. Joe Strahl of RH2 Engineering stated that he was at the meeting when the frustration met its peak and called it good for a period of time; at which point the final decision was taken to all the city councils. He further stated that the Cost of Service issue is a sticking point and they would like to get it right.

Commissioner Davis questioned how much would the water rate study cost at a later time and are we better off to do it now vs. later. Mr. Johnson questioned if the MWC would totally absorb the cost; Mr. Anderson thought that would be up to the MWC as it behooves us to do that. He further questioned if Mr. Strahl has reviewed the Water Rate Study; Mr. Strahl commented that they did look at it briefly. The board discussed the study, what it entailed and emphasized that they didn't want to be hit with this again. Mr. Anderson requested input from Mr. Strahl's group and questioned if it would be thorough enough. Mr. Rains stated this topic will be brought back to the board at the next meeting and further commented that the study could be done in the fall.

#### 11.3 WISE Conservation Award

Geologist Bob Jones stated that the WISE project received an Excellence in Conservation Award by Director Katy Coba of the Oregon Department of Agriculture. It was noted that this model can be transferred to other parts of the state. Commissioner Corcoran requested that City Manager Swanson receive this information; Commissioner Strosser requested Mr. Rains attend the Medford City Council's upcoming meeting to present the information.

12. Propositions and Remarks from the Commissioners

12.1 Mr. Johnson stated that pertaining to his comments of last meeting; there has been much conversation about the potential of a Cascadia earthquake. ODOT has done some briefings on what is fully expected and that the viaduct would go down. If it is that serious Reeder Reservoir could not take that type of hit and expressed concern with the potential loss of Big Butte Springs. He thought that at some point we need to fit this into an emergency plan for ourselves.

12.2 Mr. Dailey stated he would not be here for the next meeting.

13. Adjourn

There being no further business, this Commission meeting adjourned at 1:04 p.m. The proceedings of the Water Commission meeting were recorded on tape and are filed in the Water Commission's Office. The complete agenda of this meeting is filed in the Water Commission's Office.

Karen M. Spoons, MMC  
Deputy City Recorder  
Clerk of the Commission